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## Greece

**Post:** Rome

### Olive Oil Update 2013

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Oilseeds and Products

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**Report Highlights:**

Greece is the third largest olive oil producer in the world behind Spain and Italy. According to industry contacts, Greece's MY 2012/13 (November/October) olive oil production climbed to approximately 350,000 MT thanks to favorable weather. More than 80 percent of the Greek annual production is extra virgin olive oil. Per capita consumption of olive oil in Greece (20 Kg/year) is one of the highest in the world. Ninety percent of Greek olive oil is exported to the European Union: 80 percent in bulk and 10 percent under Greek brand names.

## Olive Oil

**Table 1: Production, Supply, and Demand (MT)**

Olive Oil	2011	2012	2013
	Estimates 2011/2012	Estimates 2012/2013	Forecast 2013/2014
	Post Data	Post Data	Post Data
Trees (Mln)	150	150	150
Beginning Stocks	91	87	125
Production	295	350	340
Extra EU-27 Imports	0	0	0
<b>Total Supply</b>	<b>386</b>	<b>437</b>	<b>465</b>
Extra EU-27 Exports	15	16	16
Food Use	211	208	207
Dom. Consumption	211	208	207
Ending Stocks	87	125	140
<b>Total Distribution</b>	<b>313</b>	<b>349</b>	<b>363</b>

Source: Unofficial estimates based on Greek industry; GTA (Global Trade Atlas)

### **Production**

Greece is the third largest olive oil producer in the world behind Spain and Italy. According to industry contacts, Greece's MY 2012/13 (November/October) olive oil production climbed to approximately 350,000 MT thanks to favorable weather. Greek olive oil production capacity is estimated at 400,000 MT per year. Greece devotes 60 percent of its cultivated land to olive growing. There are near 520,000 olive growers, of which 50.5 percent are professional farmers. The large number of olive growers in relation to the cultivated land (1,200,000 hectares) reveals that there is no large-scale industrialized olive farming. This means that olive cultivation —although systematic and much improved by the application of recent technological developments and scientific progress— remains a “family affair.”

Olive oil production is scattered all over the country, even though the Peloponnese and Crete account for over 65 percent of the total output. “Koroneiki” is the major olive variety grown in Greece. It originates from the area of Korone in Messenia (Peloponnese) and is grown on the island of Crete and around the Mediterranean. “Koroneiki” olives have a very small size, a fruity flavor, and produce a high quality olive oil, with a unique smooth taste and a golden-green color.

Other prominent olive varieties for the production of olive oil include: “Lianolia”, “Konservolia”, “Tsounati”, “Megaritiki”, “Valanolia”, “Andramytini”, “Chalkidiki”, “Matolia”, and “Kalamon”. Olive trees are slow to grow, taking four to five years to yield their first fruits and another 10 to 15 to reach their full capacity. Olive harvest occurs from October to January —depending on autumn rainfall— and may even go on into February. Farmers regularly tend small groves of trees in remote areas; olives are handpicked, and the crop is pressed on the day of picking. Product quality is usually very high: in a

good year, the percentage of low acidity olive oils with excellent organoleptic characteristics can go as high as 80 percent. In average years it fluctuates between 65-70 percent.

## **Consumption**

Per capita consumption of olive oil in Greece (20 Kg/year) is one of the highest in the world. Olive oil is the main fat used in Greek cooking. It is also perceived to be the healthiest one.

Despite the reduction of consumers' disposable income—as a consequence of the economic crisis—Greek consumption of olive oil remains steady. Sales of cheaper private label (brand names owned by S/M chains) olive oils are following an upward trend, accounting for about 27 percent of the total volume sales through the major S/M chains. Standardized oil with a high retail price (around €6 per liter) had a remarkably big decline in demand during MY 2011/12, because of competition from cheaper bulk olive oil.

## **Trade**

Ninety percent of Greek olive oil is exported to the European Union: 80 percent in bulk and 10 percent under Greek brand names. Italy continues to be the main destination for Greek olive oil (61,000 MT). Greece's olive oil exports to third countries increased by 24 percent (from 12,577 MT in 2011 to 15,714 MT in 2012) mainly to the United States, Russia, China, and Australia. Greece imports small quantities of olive oil from Spain and Italy.

## **Promotion**

In November 2012, the Greek Minister for Rural Development and Food, Professor Tsaftaris announced the allocation of €10 Mln to be used over the next three years for the promotion of Greek olive oil in the United States, Norway, Russia, Ukraine, China, and Australia. The measures financed will consist of participation in trade shows, training workshops, tasting events, and culinary tours.

## **Abbreviations and definitions used in this report**

MY Marketing year: November/October

HS codes: 15091010; 15091090; 15099000

MT Metric ton = 1,000 kg